



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Sanpete Ranger District
540 North Main 32-14
Ephraim UT 84627
Phone # (435) 283-4151
Fax # (435) 283-5616

File Code: 2810

Date: February 1, 2000

Gunnison Gypsum, Inc.
ATTN: Robert Miller
N 10015 Division #200
Spokane, WA 99208

CERTIFIED MAIL-RETURN
RECEIPT REQUESTED

RECEIVED

FEB 03 2000

DIVISION OF
OIL, GAS AND MINING

RE: Status of the Levan-Juab-Gunnison Gypsum Mine

Dear Mr. Miller:

The Forest Service received a letter dated January 10, 2000, from the State of Utah, Division Of Gas, Oil and Mining (DOGM). Over the past years, the Levan-Juab-Gunnison Gypsum Mine operated under a small mining permit with the state of Utah. DOGM inspected the site in the summer of 1999 and discovered that mine disturbance exceeded 5 acres. DOGM then issued a letter of non-compliance as directed by State of Utah regulations which required Gunnison Gypsum to cease operations and submit a Large Mining Operation Plan, as well as, an appropriate bond. Enclosed with the Jan. 10th letter was a copy of a "Notice of Intention to Commence Large Mining Operation," application. This application dated October 29, 1999 identified Robert Steele and J.W. Dansie as the partnership working the Levan-Juab Gypsum Mine. No mention of your company, Gunnison Gypsum Incorporated, or yourself was listed nor identified in this application. In addition, a handwritten coversheet (signed by Robert Steele) was attached to this application and stated that a reclamation performance bond for \$38,000.00 was in place with the Forest Service.

Currently, the Forest Service has an approved plan of operations with Gunnison Gypsum, Inc., as well as, a reclamation performance bond in the amount of a \$38,000.00 Certificate of Deposit (CD) for Gunnison Gypsum, Inc. Robert Steele is a recognized field representative working for Gunnison Gypsum, Inc. The information in the above paragraph does not seem to correlate this latter information. Robert Steele does not have a reclamation performance bond with the Forest Service. This bond was released on May 5, 1998 when Gunnison Gypsum, Inc. posted a CD to replace Dansie and Steele's bond.

I would appreciate it if you could explain to me your understanding of this matter.

It is important for Gunnison Gypsum, Inc. to understand that only authorized representatives, identified by you or the company, are the recognized legal operators who are responsible for operating within the scope of your approved plan of operations. The reclamation performance bond is being held on your behalf for this purpose. Gunnison Gypsum can and could be held legally responsible and liable for activities or actions at the gypsum mine outside the scope of the plan of operations.



I look forward to your prompt reply and recommend that you call Tom Munsen, DOGM, at (801)-538-5321. Thank you for your time and cooperation. I can be reached at (435) 283-4151 or Will Wilson at (435) 384-2372 if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas H. Shore", with a long horizontal flourish extending to the right.

THOMAS H. SHORE
District Ranger

cc:

Jack Dansie, 328 South 200 West Nephi, Utah 84648

Robert Steele, 1055 North 400 East, Nephi, Utah 84648

Carter Reed, Manti-La Sal NF, Minerals

Tom Munson, DOGM, PO Box 145801, Salt Lake City, Utah 84114-5801